

Chapter 21

SECTION 8 PROJECT-BASED VOUCHER PROGRAM

INTRODUCTION

The project-based voucher (PBV) program allows PHAs that already administers a tenant-based voucher program under an annual contribution contract (ACC) with HUD to attach voucher assistance to specific housing units for which a HAP contract has been executed. The PHA will enter into a HAP Contract with an Owner for units in existing housing, new construction or rehabilitated housing. In the case of newly constructed or rehabilitated housing, the housing is developed under an agreement between the Owner and the PHA. In the agreement, the PHA agrees to execute a Housing Assistance Payments (HAP) Contract after the owner completes the construction or rehabilitation of the units. During the term of the HAP contract the PHA makes housing assistance payments to the owner for units leased and occupied by eligible families.

All program activities, unless indicated otherwise, or superseded by the regulations, will be in conformance with the Housing Choice Voucher Program Administrative Plan. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

1. DHCD SOLICITATION PROCESS [24 CFR 983.51(c)]

DHCD will advertise its intent to offer Project Based Vouchers via a Request for Proposals (RFP) consistent with broad public announcement methods which may include posting on DHCD's website at www.dhcd.maryland.gov, newspaper publications and other means of notice.

In the advertisement, DHCD will announce the availability of project-based vouchers via a Request for Proposals (RFP). The RFP will state the application deadline, the details of the application process and where application can be obtained. In order for a proposal to be considered, the owner/agent must submit a complete proposal that responds to all the requirements in the RFP. Proposals must be submitted to the PHA Director within the advertised time period and deadline for submission. DHCD will provide detailed application and selection information at the request of interested parties.

2. DHCD PROPOSAL SELECTION PROCESS [24 CFR 983.51]

DHCD will select PBV proposals pursuant to one or both of the following methods:

2.2 Request for PBV Proposals in accordance with 24 CFR §983.51(b) (1)

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DHCD may select proposals using a RFP on a competitive basis. DHCD may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

2.3 Select previous proposal in accordance with 24 CFR [983.51(b) (2)]

DHCD may select prior competitive selection of projects under a federal, state or local governmental housing assistance program that did not involve any consideration that the projects would receive PBV assistance, provided that the prior competition was held within 3 years of the PBV proposal selection date.

2.4 Notice of proposal selection in accordance with 24 CFR [983.51(d)]

DHCD will select PBV proposals that promote and enhance the development and/or maintenance of an adequate supply of safe, decent and affordable housing and that assure, where applicable, that persons with supportive service needs have access to appropriate services and accessible housing options, consistent with HUD's site selection regulations using an impartial committee of DHCD staff to make recommendations for each project. Owner or Developers whose proposals have been selected and not selected will be informed in writing.

3. DHCD SITE SELECTION STANDARDS [24 CFR 983.57]

3.1 Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site that the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. The standard for de-concentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR §903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable civil rights laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

It is DHCD's goal to select sites for PBV housing that provide for de-concentrating poverty and expanding housing and economic opportunities.

3.2 Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

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The PHA may not select a site or enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

3.3 New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;

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- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and

Except for housing designed for persons who are elderly, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

4. ENVIRONMENTAL REVIEW [24 CFR 983.58]

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and applicable federal laws and authorities in accordance with HUD's regulations at 24 CFR 58.5 and 58.6. The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

- In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities, until the environmental review is completed.

5. OCCUPANCY [24 CFR 983.251]

The Department's project based selection system complies with the following program requirements:

- DHCD may create special project-based waiting lists to meet specific goals for housing families meeting specific criteria.
- DHCD may select qualified applicants from current HCVP participating households or from the waiting list.
- The PHA may place a family referred by an owner of a project based voucher unit on its waiting list, subject to stated waiting list policies and preferences.

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Families may request to move with a tenant-based voucher after one year from the date that the lease is fully executed. Tenant-based vouchers will only be issued to PBV participants in good standing and based on available funding.

In cases where, after initial tenancy, the family is occupying a wrong-size unit (as determined by the HCV subsidy standards) or a unit that has accessibility features not required by the family and the unit is needed by a family that requires this accessibility feature, DHCD will promptly notify the owner and the family can be offered assistance the earlier of:

- Another appropriate-size unit in the same building; or
- Tenant-based assistance, if funding is available. Tenant based voucher assistance will be offered to families required to move at the end of their lease term or 120 days whichever is earlier.

6. VACANCY PAYMENTS [24 CFR 983.352]

As provided in Section 983.352 of PBV regulations, it is the sole election of the PHA whether or not vacancy payments will be provided. DHCD's policy regarding vacancy payments is as follows.

The maximum vacancy payment can be no more than two full months of monthly rent to owner under the assisted lease after the month the family moves out minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Vacancy payments can only cover the portion of time the unit remains vacant during the period defined.

The PHA may only make vacancy payments to the owner if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and the date when the family moved out (to the best of the owner's knowledge and belief);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that is has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

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- The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payments.

If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the PHA to fill such vacancies), the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.